



**COUNCILMEMBER DONNA FRYE**

**City of San Diego  
Sixth District**

**MEMORANDUM**

**DATE:** April 27, 2006

**TO:** Honorable Mayor Jerry Sanders  
Jay Goldstone, Chief Financial Officer  
Andrea Tevlin, Independent Budget Analyst

**FROM:** Councilmember Donna Frye

**SUBJECT:** Tobacco Securitization Revenues

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The Tobacco Securitization Revenue (TSR) bonds assume an investment rate of return for the pension system at 8 percent. The maximum interest rate approved on the TSRs is 7.9 percent. However, it is possible that the SDCERS board may adjust the investment rate of return to a number lower than 8 percent. If this were to happen, what would the financial impact be?

Thank you for your attention to this matter. Your timely response is greatly appreciated.

**CC:** Honorable City Councilmembers  
SDCERS Board of Trustees  
City Attorney Michael Aguirre

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